GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1023
ANSWERED ON:27.07.2001
FINANCIAL AUTONOMY TO FCI
T.M. SELVAGANAPATHI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have decided to free the Food Corporation of India from thefinancial dependence of the Government of India, despite stiff resistance from the State Governments;

(b) if so, the details thereof; and

(c) the likely impact of `Financial Autonomy` on FCI and on the farmers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a)&(b): The issue of decentralization of procurement of foodgrains was discussed in the Chief Ministers Conference on 21.5.2001 and in the meeting of the Standing Committee of Union Ministers and Chief Ministers on Food Management and Agriculture Exports on 6.7.2001. The States of Andhra Pradesh, Haryana, Kerala, Maharashtra, Orissa, Punjab, Rajasthan, J&K, Bihar, Arunachal Pradesh, Manipur, Gujarat and Assam expressed their inability to adopt the scheme of decentralised procurement due to various reasons such as, lack of funds, infrastructure, trained manpower etc. The States of Karnataka, Goa, Himachal Pradesh and Chhattisgarh expressed that the scheme could be adopted after suitable modalities are worked out. In the first meeting of the Standing Committee held on 6.7.2001, it was clarified that the scheme would not be imposed on any State Government. The scheme of decentralized procurement has already been adopted by UP for wheat and rice, by West Bengal for rice and by MP for wheat.

(c): The Standing Committee of Union Ministers and Chief Ministers on Food Management and Agriculture Exports in its meeting held on 6.7.2001 decided that further consultation could be held with the State Governments, and sharing of gains under the schemes could be considered with those States which agree to adopt the scheme.